

Internal Control Assessment Lost or Stolen Purchase Cards

Purpose

To ensure that proper internal controls exist regarding FSA's small purchase card program for small purchases.

Background

In accordance with GSA policy, lost or stolen purchase cards are required to be reported to the Agency/Organization Program Coordinator (A/OPC) and the purchase card contractor immediately but no later than X hours after it has been determined that the purchase card is lost/stolen. The purchase card issuer will mail a new card to the FSA employee within two business days from the time the loss or theft was reported to the company. The purchase cardholder is then required to notify the A/OPC that they have received a new purchase card with a new number. The new purchase card number is to be reported to A/OPC so that an accounting code(s) can be assigned. An accounting code is the internal number that identifies your purchases for accounting purposes. It is important that the purchase cards are safeguarded at all times by the FSA employee in order to prevent loss.

Internal Control Standard

FSA must ensure that all stolen/lost credit cards are immediately reported to both the Credit card issuer and the A/POC or authorization official.

Assessment of FSA's Compliance^{*}

We performed random tests of credit card accounts that were reported as lost or stolen and determined that not all purchase cardholders reported the lost/stolen cards in a timely manner. Some cardholders reported their lost or

^{*} The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.

stolen credit cards two days after the incident. Also some cardholders only notified the credit card issuer and not the A/OPC.